

BENEFIT PLAN

ALL UNITS – EXCEPT SUPERVISORY NURSES

Section 1 – Benefit Plan Contributions

- (a) Employees in a regular position scheduled for a minimum of forty (40) hours per pay period are eligible to receive the benefits of this Section in the amounts described in (b) below. Employees must be paid for at least one-half plus one hour of their scheduled hours in order to receive the benefits of this Section. For instance, an employee scheduled to work eighty (80) hours per pay period must be paid at least forty-one (41) hours to be eligible for the benefits of this Section.
- (b) Except as provided in Section 3, Health and Dental Plan Coverage, the bi-weekly amount of the County provided Benefit Plan for employees who participate in County-sponsored health plan coverage will be as follows:

ALL UNITS, EXCEPT SUPERVISORY NURSES UNIT	
Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
\$95.00	\$190.00

- (c) Under no circumstances will the monetary value of the Benefit Plan be prorated.
- (d) Employees who are on an approved medical leave of absence and whose paid hours in a pay period are less than the required number of hours designated in (a) will continue to receive the benefits of this Section for up to six (6) pay periods per episode of illness or injury. Employees who are on an approved Workers' Compensation claim shall receive the benefits of this Section for up to twenty (20) pay periods while off work due to that work injury. Employees who are integrating paid leave time with Short-Term Disability (STD) insurance provided by the County shall receive the benefits of this Section under the following circumstances: upon election of full integration of disability payments and paid leave time, employees who are paid less than one-half plus one of their scheduled hours but have available leave balances of one-half plus one of their scheduled hours or more shall receive the benefits of this Article. Employees who are on an approved leave of absence without pay under the Family Medical Leave Act of 1993 will continue to receive the Benefit Plan dollars for up to six (6) pay periods. Employees who are on a leave of absence without pay shall not be eligible to receive the monetary benefits of this Section unless on a medical leave or a Family Medical Leave Act eligible leave.

Section 2 – Section 125 Premium Conversion Plan

ALL UNITS

- (a) Eligible employees shall be provided with a Section 125 Premium Conversion Plan. The purpose of the Plan is to provide employees a choice between paying premiums with either pre-tax salary reductions or after-tax payroll deductions for health insurance, dental insurance, voluntary life (to the IRS specified limit) and accidental death and dismemberment insurance premiums currently maintained for Unit employees or any other program(s) mutually agreed upon by the parties. The amount of the pre-tax salary reduction or after-tax payroll deduction must be equal to the required insurance premium.
- (b) Benefit Plan elections shall not reduce earnable compensation for purposes of calculating benefits or contributions for the San Bernardino County Employees' Retirement Association.
- (c) To be eligible for this benefit, an employee must be in a regular position and be regularly scheduled to work at least forty (40) hours in a pay period or be on an approved leave pursuant to the Family Medical Leave Act.

- (d) Election of pre-tax salary reductions and after-tax payroll deductions shall be made within thirty (30) days of the initial eligibility period in a manner and on such forms designated by the Human Resources Employee Benefits and Services Division Chief. Failure to timely submit appropriate paperwork will result in after-tax payroll deductions for all eligible premiums for the remainder of the Plan year.
- (e) Once a salary reduction has begun, in no event will changes in elections be permitted during the Plan year except to the extent permitted under Internal Revenue Service rulings and regulations and with the County's Plan Document. Examples of mid-year qualifying events include: marriage, divorce, birth, adoption, death, over age dependent, loss of student status, you or your spouse's or domestic partner's reduction in work hours, loss of spouse's or domestic partner's employment, gain or loss of spouse's or domestic partner's insurance, relocation outside an HMO network service area, entitlement to Medicare for you or your dependent, significant increase in County insurance cost during the Plan year, loss or gain of Medicare or Medicaid coverage and spouse's, domestic partner's or dependent's open enrollment. The employee must submit request for a change due to a mid-year qualifying event within thirty (30) days of the qualifying event. The Human Resources Employee Benefits and Services Division Chief, or designee, will authorize changes as long as the change is made on account of and consistent with an employee's change in status.

Section 3 – Health and Dental Plan Coverage

ALL UNITS

- (a) All eligible employees scheduled to work forty (40) hours or more per pay period in a regular position must enroll in a health and dental plan offered by the County. Employees who fail to elect health plan coverage will be automatically enrolled in the health and dental plan with the lowest bi-weekly premium rates available in the geographical location of the employee's primary residence.
- (b) To be eligible for County health and dental plan coverage, an employee must be in a regular position scheduled for a minimum of forty (40) hours and have received pay for at least one half plus one hour of scheduled hours or be on approved leave pursuant to the Family Medical Leave Act. Employees on an approved Workers' Compensation claim shall receive Benefit Plan contributions for up to twenty (20) pay periods while off work due to that injury. However, after the 6th pay period off work, the employee is no longer eligible for health and dental plan coverage. The employee will have the option of enrolling in COBRA continuation coverage.
- (c) Enrollment elections must remain in effect for the remainder of the Plan year unless an employee becomes ineligible for an HMO network service area.
- (d) Eligible employees may elect to enroll their dependents upon initial eligibility for health and dental insurance. Thereafter, newly eligible dependents may be enrolled within thirty (30) days of obtaining dependent status, such as birth, adoption, marriage, or registration of domestic partnership.
- (e) Notification of a mid-year qualifying event must be submitted to the Human Resources Employee Benefits and Services Division in accordance with procedures adopted by the County. Employees are responsible for notifying the County within thirty (30) days of dependent's change in eligibility for the County plans.
- (f) Dependent(s) must be removed mid-Plan year when a dependent(s) becomes ineligible for coverage under the insurance plan eligibility rules, for example divorce, over age dependent,

gain of coverage on spouse's or domestic partner's employer provided insurance, or termination of domestic partnership.

- (g) Premiums for coverage will be automatically deducted from the employee's pay warrant. Failure to pay premiums will result in loss of coverage for the employee and/or the dependents.
- (h) Employees eligible for health plan coverage who are also enrolled in comparable group health plan sponsored by another employer or are covered by a spouse who is also employed with the County may elect to discontinue enrollment in their County-sponsored health plan (opt-out or waive).
 - (1) Employees who previously elected to opt-out of County-sponsored health plan coverage and continue to opt-out during the term of this MOU will receive the following bi-weekly Benefit Plan as follows:
 - (i) Administrative Services, Clerical, Craft, Labor & Trades, Professional, and Technical & Inspection Unit employees scheduled 61 to 80 hours per pay period who opt out shall receive one hundred thirty-three dollars and eighty-five cents (\$133.85) per pay period; employees scheduled for 40 to 60 hours who opt out shall receive sixty-six dollars and ninety-three cents (\$66.93) per pay period.
 - (ii) Management Unit employees scheduled 61 to 80 hours per pay period who opt out shall receive one hundred fifty dollars (\$150.00) per pay period; employees scheduled for 40 to 60 hours who opt out shall receive seventy-five dollars (\$75.00) per pay period.
 - (iii) Supervisory Unit employees scheduled 61 to 80 hours per pay period who opt out shall receive one hundred thirty-eight dollars and forty-seven cents (\$138.47) per pay period; employees scheduled 40 to 60 hours who opt out shall receive sixty-nine dollars and twenty-four cents (\$69.24) per pay period.
 - (iv) Supervisory Nurses Unit employees scheduled 61 to 80 hours per pay period who opt out shall receive forty dollars (\$40.00) per pay period; employees scheduled 40 to 60 hours who opt out shall receive twenty dollars (\$20.00) per pay period.
 - (v) To receive the Benefit Plan amounts the employee must be paid for a minimum of one-half plus one of their scheduled hours. For instance, an employee scheduled to work eighty (80) hours must be paid for a minimum of forty-one (41) hours.
 - (2) New "opt-outs" or "waives" (i.e., newly hired or current employees who opt-out or waive effective beginning with the fiscal year in 2005 and any time thereafter) scheduled for 61 to 80 hours per pay period will receive forty dollars (\$40.00) per pay period; new opt-outs or waives scheduled for 40 to 60 hours shall receive twenty dollars (\$20.00) per pay period.
 - (3) Employees in all units scheduled to work 61 to 80 hours who previously elected to waive health plan coverage to a spouse employed by the County and continue to waive during the term of the MOU will receive one hundred ninety dollars (\$190.00) per pay period, except Supervisory Nurses Unit employees who shall receive forty dollars (\$40.00) per pay period; employees scheduled for 40 to 60 hours who continue to waive shall receive twenty dollars (\$20.00) per pay period, except Supervisory Nurses Unit employees who shall receive forty-two dollars and fifty cents (\$42.50) per pay period.
- (i) Employees eligible for dental plan coverage who are also enrolled in a comparable group dental plan sponsored by another employer may elect to discontinue enrollment in their County-sponsored dental plan.

- (j) The rules and procedures for electing to opt-out of County-sponsored health and dental plan coverage are established and administered by the Human Resources Employee Benefits and Services Division.
- (1) Employees may elect to opt-out of County health and/or dental plan(s) within thirty (30) calendar days of the effective date of coverage of another employer-sponsored group plan. Proof of initial gain of other group coverage is required at the time that opt-out is elected.
 - (2) Employees may elect to opt-out of County health and/or dental plan(s) during an annual open enrollment period. All employees who are newly opting-out during an open enrollment period must provide verification of other group coverage.
 - (3) To continue to opt-out, employees must re-elect the opt-out benefit and certify that they have other group coverage during each annual open enrollment period. Except as required at the initial opt-out election, employees are not required to provide verification of continued coverage unless requested by the Plan administrator.
 - (4) An employee who elects to opt-out of dental plan coverage may not re-enroll in a County-sponsored dental plan for a minimum of two (2) years unless the employee involuntarily loses coverage from the other employer-sponsored group dental plan. Employees, who elect to enroll in County dental coverage, for reasons other than involuntary loss of another group sponsored dental plan coverage, may enroll during the open enrollment following completion of the two (2) year dental opt-out restriction. NOTE: a voluntary loss of other group dental insurance may result in a break in dental coverage until the two (2) year mandatory opt-out period is complete.
 - (5) Employees who voluntarily or involuntarily lose their other group health plan coverage must enroll in a County-sponsored health plan within thirty (30) calendar days. Enrollment in the County-sponsored plan will be provided in accordance with the requirements of the applicable plan. If the employee elects not to enroll their eligible dependents, the dependents may only be added at a subsequent annual open enrollment period.
 - (6) There must be no break in the employee's health plan coverage between the termination date of the other employer group coverage and enrollment in a County health plan. Terms and conditions of the applicable plan will determine the required retroactive enrollment period and premiums required to implement coverage. Failure to notify the County of loss of group coverage within thirty (30) calendar days will require the employee to pay their insurance premiums retroactively on an after-tax basis.
- (k) An eligible employee whose spouse or domestic partner is also an eligible County employee may elect coverage as a dependent on their spouse's or, if the employee is age eighteen (18) or younger, on their parent's County health and/or dental insurance plan in lieu of individual employee coverage. This is called a "waiver" to their County spouse's or parent's County insurance coverage. Such election must be made within thirty (30) calendar days of the employee's, County parent's or the County spouse's eligibility for County health and dental insurance. During the Plan year, an employee is responsible for notifying the County within thirty (30) days of ineligibility for the waiver, for example the dependent child turns nineteen (19) or the spouse leaves County employment. Changes will become effective on the first day of the pay period following the receipt and approval of all appropriate documentation. Loss of the spouse's or parent's County plan coverage will require the employee to immediately enroll in the County's health and dental plans. Waivers may be changed during any subsequent annual health and dental open enrollment period.
- (l) For employees assigned to work in the Needles, Trona, Baker, and Ridgecrest work locations, the County will establish a "Needles Subsidy." The Needles Subsidy will be paid by the employee's Department and will be equal to the amount of the premium difference

between the indemnity health plan offered in these specific work locations and the lowest cost high option health plan provided by the County. This Subsidy will be established each year when premiums change for the County-sponsored health plans. The Subsidy will be discontinued when the lowest cost health plan becomes available to the employees.

Section 4 – Medical and Dental Subsidies

- (a) All Units, Except Supervisory Nurses Unit – The County will establish a Medical Premium Subsidy (MPS) in an amount that, when combined with the Benefit Plan contributions, would offset the pre-determined percentage of the cost of health plan premiums charged to eligible employees. The MPS shall be applied to health insurance premiums only and shall not be applicable to dental plan premiums. The MPS amount payable to each eligible employee shall be based upon the lowest cost high option HMO plan (currently Health Net or a plan equivalent to Health Net) for the number of persons the employee enrolls in the County-sponsored health plan (i.e., “employee only”; “employee + 1”; “employee + 2”). No MPS shall be paid where the Benefit Plan contribution exceeds the amount of the total premium to be paid by the County. The applicable MPS amount shall be paid directly to the provider of the County-sponsored health plan in which the eligible employee has enrolled. The MPS shall not be considered compensation earnable for purposes of calculating benefits or contributions for the San Bernardino County Employees’ Retirement Association. In no case, shall the MPS, when combined with the Benefit Plan contributions, exceed the total cost of the health insurance premium for the coverage selected.

- (1) Effective July 9, 2005, the County will establish a MPS, if applicable, in a amount that, when combined with the Benefit Plan contributions, will equal sixty-five percent (65%) of the lowest cost high option “employee only,” “employee + 1” and “employee + 2” HMO premium. These MPS amounts are as follows:

	Scheduled for 40 to 60 Hours	Scheduled for 61 to 80 Hours
Employee Only	0	0
Employee + 1	0	0
Employee + 2	\$30.20	\$60.39

- (2) All Units, Except Supervisory Nurses Unit – Effective July 8, 2006, the County will establish a MPS, if applicable, in an amount that, when combined with the Benefit Plan contributions, will equal seventy percent (70%) of the lowest cost high option “employee only,” “employee + 1” and “employee + 2” HMO premium, up to a fifteen percent (15%) increase in the total cost of such premiums from the prior year.

- (3) All Units, Except Supervisory Nurses Unit – Effective July 7, 2007, the County will establish a MPS, if applicable, in an amount that, when combined with the Benefit Plan contributions, will equal seventy-five percent (75%) of the lowest cost high option “employee only,” “employee + 1” and “employee + 2” HMO premium, up to a fifteen percent (15%) increase in the total cost of such premiums from the prior year.

- (b) Supervisory Nurses Unit – The County has established a Medical Premium Subsidy (MPS) to offset the cost of health plan premiums charged to eligible employees. The MPS shall not be considered compensation earnable for purposes of calculating benefits or contributions to the San Bernardino County Employees’ Retirement Association. In no case, shall the MPS exceed the total cost of the health insurance premium for the coverage selected.

- (1) Effective July 7, 2007, the County will establish a MPS, in an amount that will equal ninety-five percent (95%) of the lowest cost high option "employee only," "employee + 1" and "employee + 2" HMO premium, up to a fifteen percent (15%) increase in the total cost of such premiums from the prior year.
- (2) For employees assigned to work in the Needles, Trona, Baker, and Ridgecrest work locations, the County will establish a "Needles Subsidy." The Needles Subsidy will be paid by the employee's Department and will be equal to the amount of the premium difference between the indemnity health plan offered in these specific work locations and the lowest cost high option health plan provided by the County. This Subsidy will be established each year when premiums change for the County-sponsored health plans. The Subsidy will be discontinued when the lowest cost health plan becomes available to the employees.
- (c) All Units – Effective July 7, 2007, the County will establish a Dental Premium Subsidy (DPS) for all employees whose premium costs for health and dental exceeds the Benefit Plan contributions in an amount up to nine dollars and forty-six cents (\$9.46), but not to exceed the combined total of the employee's out-of pocket costs. For example, an employee who selects "employee only" coverage for health and dental with a combined per pay period premium cost of one hundred ninety-four dollars (\$194.00) will receive a DPS in the amount of four dollars (\$4.00) per pay period.